

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:388
ANSWERED ON:20.04.2000
INCREASE IN SUBSIDY ON FOODGRAINS
ARUN KUMAR;SHANKERSINH VAGHELA

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

- (a) since when the Government have been increasing the subsidy on foodgrains alongwith the details thereof, item-wise;
- (b) whether the benefit of subsidy has not reached the common consumers; and
- (c) if so, the remedial steps taken by the Government in this regard?

Answer

THE MINISTER OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR)

(a),(b) & (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b) & (c) OF THE STARRED QUESTION NO. 388 AND ANSWER IN THE LOK SABHA ON 20TH APRIL, 2000.

(a) Progression of consumer subsidy since the year 1990-91 is as under:

(Rs. in crores)

YEAR CONSUMER SUBSIDY

1990-91	2071.64
1991-92	2890.91
1992-93	3223.77
1993-94	3173.89
1994-95	2350.63
1995-96	4183.05
1996-97	6131.83
1997-98	7028.00
1998-99	6860.30
1999-2000	6256.25
2000-2001	

(Estimated) 7656.00

(b) & (c) The need for streamlining the TPDS has been engaging the attention of the Government for some time. It was felt that while the subsidy bill on foodgrains has been increasing substantially over the years, the deserving poor had not got sufficient relief by way of access to adequate quantities of foodgrains to the targetted group, the Government has recently reviewed the subsidy on foodgrains and has taken the following decisions, effective from 1st April, 2000:-

- i) The quantity of foodgrains for BPL has been doubled from the existing 10 Kg. per month per family to 20 Kg. per month per family;
- ii) The C.I.P. under BPL is enhanced to 50% of the economic cost; and
- iii) the C.I.P. for APL is fixed at economic cost.

As a result of these measures, the subsidy for BPL has effectively increased from Rs.5240 crores to Rs.7656 crores.